

May 21, 2014

Via E-Mail Transmission

Bill Spinelli, CPA
Finance Director
City of Leesburg
501 West Meadow Street
Leesburg, FL 34748

Re: City of Leesburg – Fire Services Assessment Program Proposal for Development and Implementation

Dear Bill,

This correspondence is written to present a scope of services for Government Services Group, Inc. (GSG) to provide professional services and specialized assistance to the City of Leesburg (City) and its staff with the development of a fire services special assessment program for Fiscal Year 2015-16. We understand that the City wants to begin to collect the fire assessment on the November 2015 tax bill (Uniform Method of collection).

The objective of this project is to develop the fire services special assessments based on public policy established by the City within the constraints of readily available data and legal precedent. To fulfill this objective, we will provide the following:

- (1) Specialized services that assist the City in developing a legally defensible method of apportioning the assessments;
- (2) An Assessment Memorandum which includes (a) the assessment cost calculations, and (b) the description of the apportionment methodology;
- (3) Billing algorithms necessary to calculate the fire services assessments pursuant to the proposed methodology; and
- (4) The final fire assessment rates, and;
- (5) An assessment roll in an electronic format capable of merging with the City's real property tax roll in conformity with the requirements of the Uniform Method of collection for Fiscal Year 2015-16; and,
- (6) The statutorily required notice and billing documentation that is required for using the tax bill collection method for the annual assessment program in subsequent years.

The proposed scope of services and fees contemplates a phased approach to the assessment program. Phase One of this proposal includes those tasks associated with the development of preliminary proforma assessment rates. An Assessment Memorandum will be prepared and presented at the end of Phase One. It is at the end of Phase One that the City will be able to make an informed decision regarding whether to proceed with implementing the assessment program.

Phase Two would include the specific work effort required for the implementation of the program based on the City's policy direction as determined from the findings provided in Phase One. Phase Two would be comprised of those steps necessary should the City decide to move forward with any recommended assessment program. Accordingly, attached as Appendix A is the work plan under which GSG will assist the City in both Phase One and Phase Two of the assessment program. The scope of services is based on the following assumptions:

- The City will be an active participant and provide all of the requisite information and data to develop the assessment methodology.
- GSG will prepare an assessment database based on the ad valorem tax roll data.

Upon review and satisfactory determination, please sign where indicated to acknowledge acceptance of the attached proposal and to serve as proper Notice to Proceed. Upon execution, please provide our office with a signed copy for our files.

We look forward to working with the City of Leesburg on this very important project. If you have any questions, please feel free to contact me at ctharpe@govserv.com or (850) 681-3717.

Sincere

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Camille P. Tharpe
Senior Vice President

/cpt

Attachments

Appendix A

FIRE SERVICES ASSESSMENT PROGRAM

Scope of Services

PHASE ONE:

- Task 1: Evaluate Reports and Research Issues** Evaluate the City's existing documents, ad valorem tax roll information, fire call data, agreements, reports and other data pertaining to the provision of fire services.
- Task 2: Identify Full Costs of Service** Evaluate the full cost of the fire service delivery using the City's most current financial information and identify service delivery issues which may affect the apportionment methodology. Determine the net service delivery revenue requirements.
- Task 3: Develop the Apportionment Methodology** Using the current ad valorem tax roll and fire incident data reported to the State Fire Marshal, develop the method of apportionment, classification of properties and the use of the data on the assessment roll. Review the assessment methodology for legal sufficiency and compatibility with all methods of collection.
- Task 4: Determine Preliminary Revenue Requirements** Advise the City in determining the total fire service assessment revenue requirements to ensure the City recovers the costs of: (a) net fire service delivery revenue requirements, (b) implementing the program, and (c) collecting the assessments.
- Task 5: Develop Preliminary Assessment Roll Database** Using the current ad valorem tax roll, create a preliminary assessment roll database. Test the sufficiency of the database by developing reports to access property information.
- Task 6: Apply Apportionment Methodology to Database** Apply the apportionment methodology to the preliminary assessment roll database to test the data validity and legal sufficiency. Revise the apportionment methodology as necessary.
- Task 7: Calculate a Preliminary Proforma Schedule of Rates** Using the developed assessment roll, calculate a proforma schedule of rates based on the developed apportionment methodology and revenue requirements for the assessment program.
- Task 8: Prepare and Present Assessment Memorandum** Prepare and present an Assessment Memorandum which documents the proposed apportionment methodology and proforma assessment rates.

PHASE TWO:

- Task 6: Assist With Fire Services Assessment Ordinance** Advise and assist the City's legal counsel in the drafting of a fire services assessment ordinance to establish the procedures for implementation of a fire services assessment program.
- Task 7: Assist With Assessment Resolutions** Advise and assist the City's legal counsel in drafting the assessment resolutions that conform to the assessment ordinance and that implement the City's policy decisions and proposed methodology.

Task 8: Assist with Rate Adoption Process GSG will advise and assist with fulfilling the legal requirements for the adoption of the annual assessment rate resolution and certification of the assessment roll in accordance with section 197.3632, Florida Statutes, including:

(a) Produce Notice Roll After verification of rates for the assessment program, GSG will create the notice roll by applying the rates to the assessment roll.

(b) Distribution of First Class Notice GSG will develop the first class notice and distribute to any affected property owners (only if required).

Task 9: Create Final Assessment Roll GSG will update the assessment roll with any corrections and updates received from the City. Final rates will be verified and extended to the updated data in order to create the final assessment roll. The final roll will be provided to the City.

Task 10: Certify, Export and Transmit the Final Assessment Roll in Conformance with Uniform Method Using the final assessment roll, GSG will prepare export files on compatible electronic medium capable of merger with the ad valorem tax roll files and will transmit the file to the Tax Collector in the prescribed format.

FEES AND COSTS

For the professional services and specialized assistance described in Phase One of the Scope of Services, GSG will work under a “lump sum” fee arrangement of \$22,500. Except as noted below, this lump sum fee includes reimbursement for all out-of-pocket expenses. The lump sum fee for professional services for Phase One includes a total of three on-site visits to the City by GSG staff. While the purpose of these trips is negotiable, the intent of these meetings is to obtain initial information, participate in individual briefing sessions with elected officials, and present the assessment memorandum at a City Commission Workshop.

For the professional services and specialized assistance described in Phase Two of the Scope of Services, GSG will work under a “lump sum” fee arrangement of \$9,500. Except as noted below, this lump sum fee includes reimbursement for all out-of-pocket expenses. The lump sum fee for professional services for Phase Two includes a total of three on-site visits to the City by GSG staff. While the purpose of these trips is negotiable, the intent of these meetings is to assist in the final rate adoption process.

Additional on-site meetings may be arranged at our standard hourly rates, as authorized by the City. Expenses related to additional on-site meetings will be billed in conformance with section 112.061, Florida Statutes. If necessary, in lieu of on-site visits, periodic telephone conference calls may be scheduled to discuss project status.

The standard hourly rates for GSG are as follows:

GOVERNMENT SERVICES GROUP, INC.

Chief Executive Officer	\$225
Senior Vice President	\$175
Vice President	\$160
Senior Project Manager/Consultant/Project Coordinator	\$160
Consultant/Database Analyst/Technical Services	\$130
Administrative Support.....	\$ 50

The lump sum fee does not include the costs of producing and mailing any first class notices, if required. Mailing and production costs depend on the number of assessable parcels of property within the assessment program area, but average approximately \$1.35 per parcel. Payment of mailing and production

costs is due at the time of adoption of the initial assessment resolution or like document. For non-domestic notices, mailing charges will include the actual amount of postage beyond the domestic rate. Should U.S. postage rates increase prior to mailing (currently \$0.49), the additional postage per notice will be charged.

The lump sum fee also does not include the costs of producing the data exports needed for the production of TRIM notices, if required. Data exports for TRIM notices will be transmitted as necessary to the Property Appraiser’s office, per their specifications and be billed at the lump sum fee of \$2,000 for the fire assessment program. Payment of these production costs is due at the time of adoption of the initial assessment resolution or like document.

The City is responsible for any and all newspaper publications, including, but not limited to, making arrangements for publications and any costs associated therewith.

The City is responsible for any costs incurred to obtain information from the property appraiser or other public official that is necessary for the assessment program.

Please note that GSG works with the premise of developing and implementing assessment programs with an eye on potential legal challenges in an attempt to maximize both the efficiency and the effectiveness of any defense. Nonetheless, the fees outlined above for professional services do not include any provision for litigation defense. Accordingly, in the event there is a legal challenge, GSG would be available, on an hourly basis, to assist the City in its defense.

DELIVERABLES SCHEDULE

Deliverable	Schedule
Notice to Proceed	June – July 2014
Kick-off Meeting/Data Collection	June – July 2014
Proforma Budget Development	July – August 2014
Assessment Methodology	August 2014
Proforma Assessment Rates	August – September 2014
Assessment Memorandum	September - October 2014
Resolution of Intent to Use Tax Bill Collection	October – December 2014
Ordinance Adoption	October - December 2014
Initial Assessment Resolution	January – July 2015
First Class/TRIM Notices	January – August 2015
Published Notice	January – August 2015
Final Assessment Resolution	March – September 2015
Certify Fiscal Year 2015-16 Assessment Roll	By September 15, 2015

PAYMENT SCHEDULE

The lump sum fee for professional services and specialized assistance will be due and payable on the following basis. Payment will be based on the following schedule, assuming that notice to proceed is received by July 2014. If notice to proceed occurs after this date, payment will be adjusted on the basis of a condensing of the anticipated number of months remaining to complete the project.

Schedule	Payment
August 2014	50% of Lump Sum Fees for Phase One (\$11,250)
October 2014	50% of Lump Sum Fees for Phase One (\$11,250)
March 2015	50% of Lump Sum Fees for Phase Two (\$4,750)
September 2015	50% of Lump Sum Fees for Phase Two (\$4,750)

ACCEPTED AND AGREED TO:

BY: _____
CITY OF LEESBURG

DATE